

DEPARTMENT OF THE AIR FORCE
HEADQUARTERS UNITED STATES AIR FORCE
WASHINGTON, D.C.
20330



7 OCT 1975

W
Lieutenant General Samuel V. Wilson, USA
Deputy to the DCI for the Intelligence Community
Central Intelligence Agency


Dear Sam

Your recent letter addressing my concern about the possible wasteful duplication in external contract support for the intelligence community was most welcome. I agree this topic is a part of the overall program formulation and review process and that the IRAC is a good forum in which to address it. I will be happy to provide my support to the project.

In my opinion, the first need of the community is an adequate inventory and listing of existing intelligence external contracts. I would hope that IRAC would make this its first order of business, with the program formulation and review aspects being addressed later.

In a related area, the Deputy Secretary of Defense has directed a DOD-wide effort to improve the management of Defense intelligence support for studies and analyses. As part of this effort, the Director, Defense Intelligence Agency, has been asked to compile a register of all DOD studies and analyses requiring specialized intelligence support. The methods and data handling procedures devised for this task may be useful in the IRAC study of external support.

Warmest regards


GEORGE J. KEEGAN, JR.
Major General, USAF
Asst Chief of Staff, Intelligence

THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D. C. 20505

Intelligence Community Staff

IC 75-2499

12 SEP 1975

Major General George J. Keegan, Jr., USAF
Assistant Chief of Staff, Intelligence
Department of the Air Force
Washington, D. C. 20330

Dear George:

Sometime ago you raised a question with the DCI concerning possible wasteful duplication in the community in external contract support for threat analysis. He promised to respond more fully after he had considered the problem.

STATINTL This is a matter of some concern to all of us, and Bill Colby has agreed that we need a community-wide approach. The matter has been taken up with [] to see if INR's Consolidated Plan for Foreign Affairs Research would be a good mechanism to accomplish the job you outline. He thinks not, for reasons that appear sound. Mr. Colby has therefore raised the issue at IRAC, where STATINTL it seems properly to belong, and we are now working with [] on the problem. Our feeling is that this issue should be tackled in the context of the overall community program formulation and review process, rather than independently through the USIB forum.

STATINTL Ultimately, I expect that we will need to form an ad hoc task force to develop compatibility among the methods and data handling approaches of the individual agencies. I expect that [] will ask for your support in this.

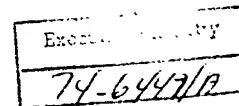
Sincerely,

/s/ Samuel V. Wilson

Samuel V. Wilson
Lieutenant General, USA
Deputy to the DCI for the
Intelligence Community

THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D. C. 20505



Office of the Director

27 DEC 1974

Major General George J. Keegan, Jr.
Assistant Chief of Staff, Intelligence
Department of the Air Force
Headquarters United States Air Force
Washington, D.C.

Dear George:

I have your letter of 26 November 1974 on the matter of Contracting for Intelligence Support.

For some time I have been concerned about the whole matter of contractor support, with special emphasis on expenditures and quality of product.

STATINT Your suggestion of a master list or registry of external intelligence contracts may well be the first step we should take. I am asking [] to look into the possibility of handling this task for the Community. This seems a logical step since INR already has a mechanism (the USC/FAR Consolidated Plan for Foreign Affairs Research) to track unclassified external research.

STATINTL Once I hear from [] we can consider the matter further at USIB.

Sincerely,

(ZsA) Bill

W. E. Colby

STATINTIC/PRD []

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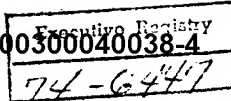
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DEPARTMENT OF THE AIR FORCE
HEADQUARTERS UNITED STATES AIR FORCE
WASHINGTON, D.C.



REPLY TO
ATTN OF:

IN

28 NOV 1974

SUBJECT:

Contracting for Intelligence Support

TO: Chairman, United States Intelligence Board (Mr. Colby)

1. The area of contracting for intelligence support is beset with management problems. Many of them could be alleviated by a mechanism to identify unnecessary duplications and expenditures. Savings in money and manpower should be substantial.
2. Under the present system of contracting for intelligence support, there is no complete listing of what analyses contractors external to the government are doing and for whom. This has resulted in duplication, unnecessary expenditures, and decreasing cooperation between intelligence agencies. Studies have been developed in isolation using selective data bases that have proven to be inadequate, and products have not always been widely distributed. All of this has led to criticism directed against our management of resources.
3. The number of duplicatory contractor studies appears to be growing substantially as budgets are cut and requirements expand. This has already manifested itself in many contract studies exhibiting those negative qualities mentioned above (e.g., BACKFIRE role, ICBM/SLBM performance, laser beam weapons, CW/BW, ASW and ABM R&D).
4. DIA is attacking this problem through the automated S&T contract file which identifies contract subject and sponsor. Though this file has potential to serve the community as an "open book" on contract assistance, it is but a modest beginning.
5. Many intelligence-related contract studies are generated by nonintelligence elements of the Government, i.e., OSD, departmental analytical and R&D staffs, NSC, ACDA, etc. Recognizing this fact, I believe we should first address the

problem of monitoring those studies initiated by the intelligence community. After that, a further look could be given to nonintelligence elements.

6. I suggest that the problem of external contractor assistance to the intelligence community be addressed in the USIB arena, either through an ad hoc committee or the existing committee structure. Thorough examination of the problem could be accomplished relying on inputs from all agencies involved.

7. Specifically, I urge that a mechanism be established requiring:

a. that all intelligence agencies contracting externally for studies containing a threat implication so report;

b. that details concerning contract objectives, assumptions, timing, etc., be made known to the intelligence community; and

c. maintenance of a master listing or registry of all such contracts -- appropriately classified -- with distribution to USIB members.

8. An access file structured as above would help avoid excessive duplication of effort. We need better management of a process that is not now being monitored and that is imposing a crushing unprogrammed burden on those of us who generate data bases.

9. Unless the community takes an initiative soon, I expect that one will be imposed, possibly in the form of a directed post-audit of all intelligence research contracts accomplished in recent years. Now is the time to police our own house and set it in order.

10. The "open door/open book" policy is essential if we are to improve the integrity of contractor analyses in the substantive intelligence area. Request this matter be submitted to the United States Intelligence Board for consideration.



GEORGE J. KEEGAN, JR.

Major General, USAF

Asst Chief of Staff, Intelligence